

Natural Gas Market Outlook 2006-2016
Workshop Sponsored by
California Public Utilities Commission and California Energy Commission

December 9-10, 2003
Hiram W. Johnson State Office Building Auditorium
San Francisco, California

Entrances at either side of building:
455 Golden Gate Avenue (across from 20-story Federal Building)
or 350 McAllister Street (across from Underground Civic Center Parking Lot)

December 9, 2003

9:00 a.m. Welcome

Michael R. Peevey, President, California Public Utilities Commission (CPUC)
William J. Keese, Chairman, California Energy Commission (CEC)

9:20 a.m. Introduction

Dave Maul, Manager, CEC Natural Gas & Special Projects Office

I. Future Demand for Natural Gas in California: 2006-2016

9:30 a.m. – 11:00 a.m.

A. Forecast of Future Demand

Jairam Gopal, Supervisor, Natural Gas Unit, CEC
Harlan (Hal) Chappelle, Assistant to the Chair, Demand Task Group,
Natural Gas (NG) Committee, National Petroleum Council (NPC)
Les Buchner, Manager, Market Analysis & Strategy, California Gas
Transmission (CGT), PG&E
Jeff Hartman, Director, Energy Markets, SoCalGas/SDG&E
Blaise Poole, Consultant, Market & Project Analysis, El Paso Corp
Michael Day, Counsel, Wild Goose Storage Inc.

11:00 a.m. – 11:15 a.m. Morning Break

11:15 a.m. – 12:45 p.m.

B. Capacity of Current Infrastructure for Supplies of Natural Gas

M. A. (Mark) Sikkell, Chair, Supply Task Group, Committee on NG, NPC
Jeanne Zaiontz, Director, Regulatory Affairs, BP Energy Company
Rock Zierman, Executive Director, CA Natural Gas Producers Association
David Taylor, Director, Operations, SoCalGas/SDG&E
Peter Lund, Vice President Pipeline Marketing and Development, GT-NW Corp.
Julian Darley, Director, Post Carbon Institute

12:45 p.m. – 1:45 p.m. Lunch Break

II. Optimum Ways to Meet Anticipated Demand for Natural Gas in California

1:45 p.m. – 3:05 p.m.

A. Demand Reduction Efforts

Les Deman, Leader, Economics and Demographics Subgroup, NPC

Valerie Hall, Deputy Director, CEC

Geoff Ayres, Director of Commercial and Industrial Markets, SoCalGas/SDG&E

David Hickman, Manager, Customer Energy Management, PG&E

Rich Ferguson, Ph.D., Director, Center for Energy Efficiency &
Renewable Technologies (CEERT)

3:05 p.m. – 3:20 p.m. Afternoon Break

3:20 p.m. – 4:40 p.m.

B. Interstate Pipeline Expansions and/or New Interstate Pipelines

Jeff Wright, Supervisor, Energy Infrastructure Policy Group, FERC

Steve Harris, Vice President, Business Development-West, Kinder Morgan

Kirk Morgan, VP, Kern River Gas Transmission Co.

Shelley Corman, Sr. VP, Transwestern Pipeline Co.

Peter Lund, Vice President Pipeline Marketing and Development, GT-NW Corp.

4:40 p.m. – 5:00 p.m. CEC/CPUC Remarks

December 10, 2003

9:00 a.m. Introduction

Harvey Y. Morris, Principal Counsel, CPUC

9:10 a.m. – 10:30 a.m.

C. Storage Facilities and Expansions

Ben Campbell, Manager, Product Management, CGT, PG&E

Jeff Hartman, Director, Energy Markets, SoCalGas/SDG&E

Michael Day, Counsel, Wild Goose Storage Inc.

Norman A. Pedersen, Counsel, Southern California Generation Coalition

Marcel Hawiger, Staff Attorney, The Utility Reform Network (TURN)

10:30 a.m. – 10:45 a.m. Morning Break

10:45 a.m. – 12:25 p.m.

D. Liquefied Natural Gas (LNG) Facilities

Steven Meheen, Project Manager, BHP Billiton

Thomas Giles, Executive VP, Sound Energy Solutions

Greg Bartholomew, Vice President, Sempra Energy LNG

Michael Speltz, Manager, Gas Price Forecast, ChevronTexaco Global Gas

Kent F. Hampton, Director of Marketing, Marathon Oil Company

David Taylor, Director, Operations, SoCalGas/SDG&E

Bill Powers, P.E., Chair, Border Power Plant Working Group

12:25 p.m. – 1:30 p.m. Lunch Break

III. Who Will Pay for Needed Infrastructure?

1:30 p.m. – 3:00 p.m.

A. The Non-utility Market Participants

Norman A. Pedersen, Counsel, Southern California Generation Coalition

Tom Beach, Principal Consultant, California Cogeneration Council

Barry Brunelle, Manager, Fuel Supply, Sacramento Municipal Utility
District (SMUD)

Brad Barnds, Vice President, Calpine

Arlin Travis, Vice President, Shell Trading Gas & Power Co.

3:00 p.m. – 3:15 p.m. Afternoon Break

3:15 p.m. – 4:45 p.m.

B. The California Investor Owned Public Utilities

Richard Myers, Program Manager, Energy Division, CPUC

Robert Mark Pocta, Program Manager, Office of Ratepayer Advocates

Kirk Morgan, VP, Kern River Gas Transmission Co.

George Clavier/Les Buchner, CP Sr. Analyst/CGT Manager, PG&E

JanVan Lierop, Director, Regulatory Policy, SoCalGas/SDG&E

Marcel Hawiger, Staff Attorney, The Utility Reform Network (TURN)

4:45 p.m. CPUC/CEC Closing Remarks

WORKSHOP ANNOUNCEMENTS/LOGISTICS

Announcements

- We are pleased to announce that the Federal Energy Regulatory Commission (FERC) Staff will be joining the CPUC and CEC in examining the issues in this workshop. FERC Staff will be making a presentation on one panel and will be sitting at the table with representatives of the CPUC and CEC asking questions of the speakers on each of the panels. We appreciate the FERC Staff's willingness to participate with us in this event, since all three agencies will benefit from the information provided.
- Due to the large number of speakers, this meeting will start promptly at 9:00 am each day. All participants in this workshop are encouraged to arrive early (at least 15 minutes) since the security procedures at this site will take longer than normal. The California Supreme Court, the California Court of Appeal, the California Attorney General, and other state agencies are located in this state building.
- Speakers are requested to provide an electronic version of their presentation in advance to Wendy Maria Phelps at wmp@cpuc.ca.gov and to Jairam Gopal at jgopal@energy.state.ca.us by **noon** on December 8 so that the presentations can be loaded onto the A/V computers in advance of the start of the workshop. Speakers and any other interested people or entities may submit other written materials relevant to this informal workshop to Wendy Maria Phelps and Jairam Gopal at their respective web addresses until December 12. The CPUC and CEC staffs welcome all such information.
- Due to the large number of speakers and availability of electronic distribution, the CPUC/CEC staff will not be making hardcopies of presentations available on the day of the workshop.
- The CEC and CPUC staff will be preparing a report compiling the information provided at this workshop, including information from electronic presentations, e-mailed written materials submitted for further consideration, and oral presentations and the following Q&A. This report will be available in January 2004.
- Information gained at this workshop will help the CPUC and CEC staffs identify issues for the CPUC's formal proceeding (OII or OIR) in 2004, the CEC's next Integrated Energy Policy Report (IEPR), and follow up workshops to allow a more in depth discussion of particular issues.
- The CPUC and CEC staffs sought a wide range of viewpoints for the speakers and written materials at this workshop. These views do not necessarily reflect the views of the CPUC or CEC and may be inconsistent with previously-stated CPUC or CEC positions.
- The CEC staff expects to provide an audio web cast of this workshop from their website (www.energy.ca.gov); PowerPoint presentations should also be simultaneously available.

Question & Answer Period

- There will be a Q&A session following each panel. Questions from the audience for any speaker will be considered if there is time following the questions from the CPUC, CEC and FERC Staff panel.
- Questions from the audience members should be written on index cards available at the workshop auditorium and will be collected toward the end of each panel.

General Logistics

- No food/refreshments are allowed in the workshop auditorium.
- The auditorium can comfortably seat at least 250 people.

- CPUC staff will provide a map of the local restaurants for your use during the lunch breaks.
- Parking is available in the area, but will be most convenient at the underground Civic Center Garage, which is across the street from the 350 McAllister Street entrance to the State Building and across the street from City Hall.
- All participants are encouraged, if possible, to carpool and/or use public transportation; a BART station is nearby.

Thank you again for your interest and participation in this event and your assistance in helping our staffs compile this extensive amount of information.